

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COURT RECEIVER'S REPORT NO. 205 OF 2015
IN
ARBITRATION PETITION NO. 1116 OF 2014

Karvy Financial Services Limited ... Petitioner

Versus

Swathy Smart Cards Hi-Tech Pvt.
Limited and Ors. ... Respondents

Mr. Omar K. Shaikh for the Petitioner.
Mr. G.G. Ketkar, 1st Assistant to Court Receiver, present.

CORAM : S.J. KATHAWALLA, J.
DATED : 28TH JULY, 2015

P.C.:

1. On 6th August, 2014 this Court (Coram : R.D. Dhanuka, J.)
passed the following order :

“i) Court Receiver, High Court Bombay is appointed as receiver in respect of the properties described in prayer clause (a) of the petition. The Court Receiver shall take symbolic possession and give an option to the respondent or any third party found in possession of the suit property in writing to act as agents of Receiver in respect of the said properties. The Respondent or such third party shall be given two weeks time by the Court Receiver from the date of receipt of the Court

Receiver's communication letter to exercise such option. In the event of the respondent or such third party being desirous of acting as agents of the Receiver, they shall be appointed as agents of the Receiver, subject to security and royalty. The Receiver shall determine the quantum of security and royalty having regard to the terms and conditions contained in the Secured Business Loan Agreement. (Exhibit –C to the Petition).

ii) In the event that the respondents or such third party do not communicate their willingness to the Receiver to act as agents within a period of two weeks from the date of receipt of the communication from the Court Receiver, Court Receiver to take forcible possession of the properties and if necessary with the assistance of police from the respondents and to submit report in this Court for further orders”.

2. Thereafter, the Respondents agreed to execute the Agency Agreement with the Court Receiver and to pay the monthly royalty. In the meeting held on 21st January, 2015, the Respondents reiterated that the Respondents are willing to pay royalty amount and execute the Agency Agreement. However, the Respondents failed and neglected to pay the royalty amount and / or to execute the Agency Agreement. The amount

payable as on date is above Rs. 1 Crore. The report is served on Mr. A.M. Saraogi, Advocate for Respondent No. 1 and 2. An attempt was made to serve the report on the other Respondents but they refused to accept the same. In view thereof, the following order is passed :

- i. The Court Receiver, Bombay High Court is directed to forthwith take forcible possession of the Suit property.
- ii. The Respondents are directed to pay arrears of royalty from August, 2014 till date within a period of four weeks from today, failing which the Court Receiver shall file appropriate report seeking appropriate directions.
- iii. The Superintendent of Police, Ramanagaram District, Karnataka State is directed to render all assistance to the representative of the Court Receiver in complying with this order.
- iv. The Petitioner to pay the cost of the above report.
- v. The report is accordingly disposed of.

(S.J. KATHAWALLA, J.)